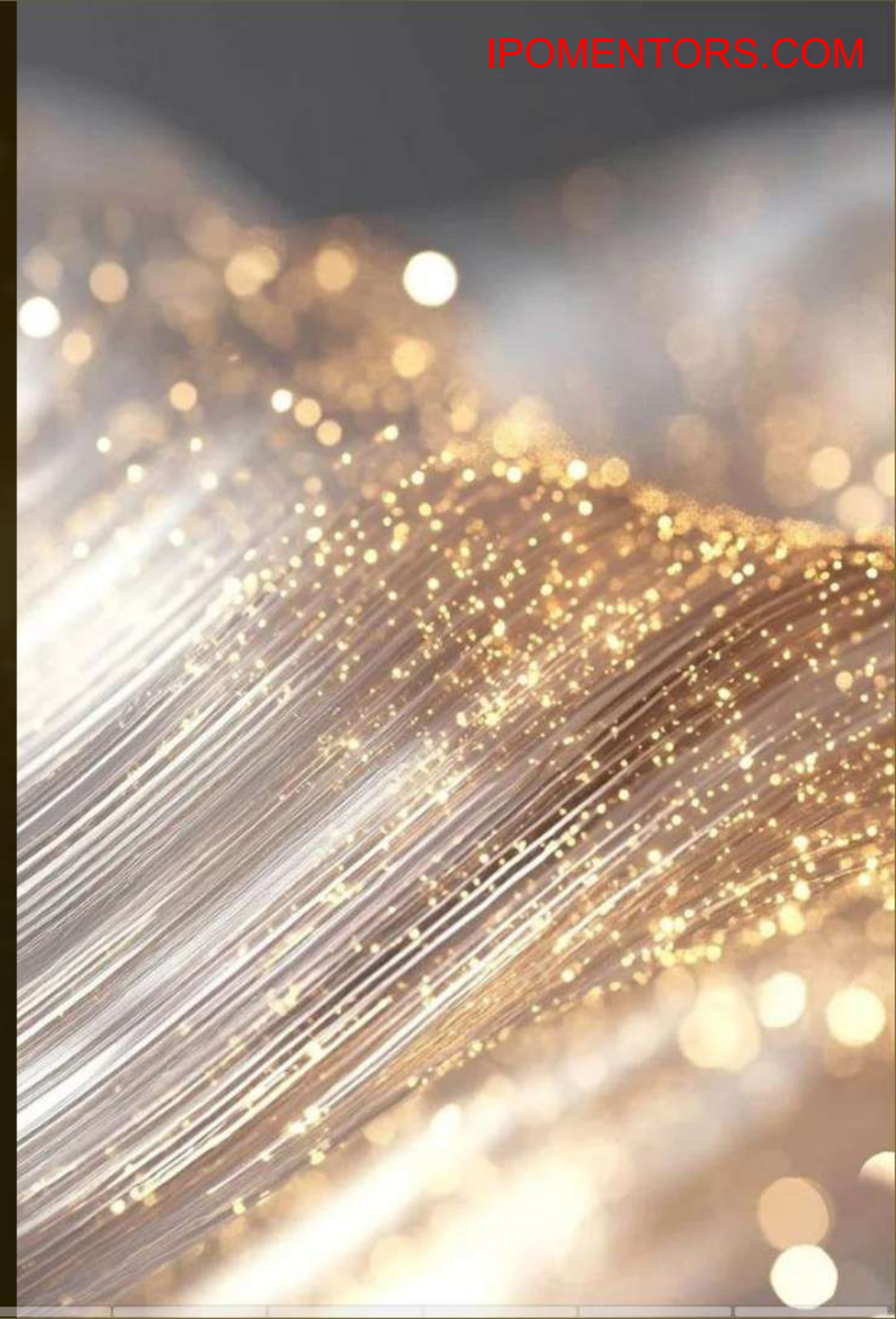


Comprehensive IPO Valuation and Financial Advisory: A Strategic Roadmap

Presenter: IPOMENTORS.COM



Conduct Detailed Valuation Using Multiple Methodologies

Importance of Multiple Valuation Methods

Using multiple methods ensures a comprehensive and robust valuation from different perspectives.

1

2

Discounted Cash Flow (DCF) Analysis

Forecasts future cash flows and discounts them to present value using WACC for intrinsic valuation.

Earnings Multiple Benchmarking

Values company by comparing profit multiples with peers to reflect market expectations.

3

4

Asset-Based Valuation Approach

Calculates net asset value by summing assets and subtracting liabilities, providing a valuation floor.

Combining Methods for Robust Valuation

Integrates DCF, multiples, and asset-based methods to enhance credibility and reduce risks.

5

6

Risks of Skipping Detailed Valuation

Relying on a single method risks misvaluation, investor mistrust, and potential IPO failure.

Analyze Market Comparables and Precedent IPO Valuations

- 1 Role of Market Comparables**

Market comparables are essential for benchmarking IPO valuation against similar companies.
- 2 Key Metrics for Valuation**

Stock prices, P/E ratios, and per-user valuations guide relative valuation approaches.
- 3 Insights from Precedent IPOs**

Analyzing Zomato and Paytm IPOs reveals pricing strategies and market demand dynamics.
- 4 Market Trends and Sentiment**

Investor appetite and economic cycles significantly influence IPO success and valuation.
- 5 Avoiding Outdated Benchmarks**

Continuous reassessment ensures IPO pricing remains relevant and credible to investors.

Advise on Promoter Share Dilution and Fresh Issue Proportions



Model Financial Outcomes Under Different Pricing Scenarios



Evaluate Impact of Share Options and Employee Stock Benefits

1

Motivation and Retention

ESOPs boost employee morale and loyalty by aligning interests with company success.

2

Dilution and Tax Effects

Evaluate share dilution and tax implications to balance benefits for employees and shareholders.

3

Incentives vs Shareholder Value

Design ESOPs to motivate employees without eroding shareholder value through excessive dilution.

4

Strategic ESOP Design

Set pool size, vesting, and eligibility to align incentives with long-term company performance.

5

Risks of Neglect

Ignoring ESOP impact risks demotivation, talent loss, and investor confidence decline.

Review Audit Reports and Financial Transparency

1

Thorough Audit Analysis

A detailed review of audit reports is essential to detect fraud and accounting errors early.

2

Identifying Red Flags

Spotting irregularities ensures financial statements' accuracy and reliability.

3

Ensuring Transparency

Transparency builds and sustains investor trust by revealing no hidden risks.

4

Clean Audits and Valuation

Clean audits enhance valuation credibility and facilitate a smooth IPO process.

5

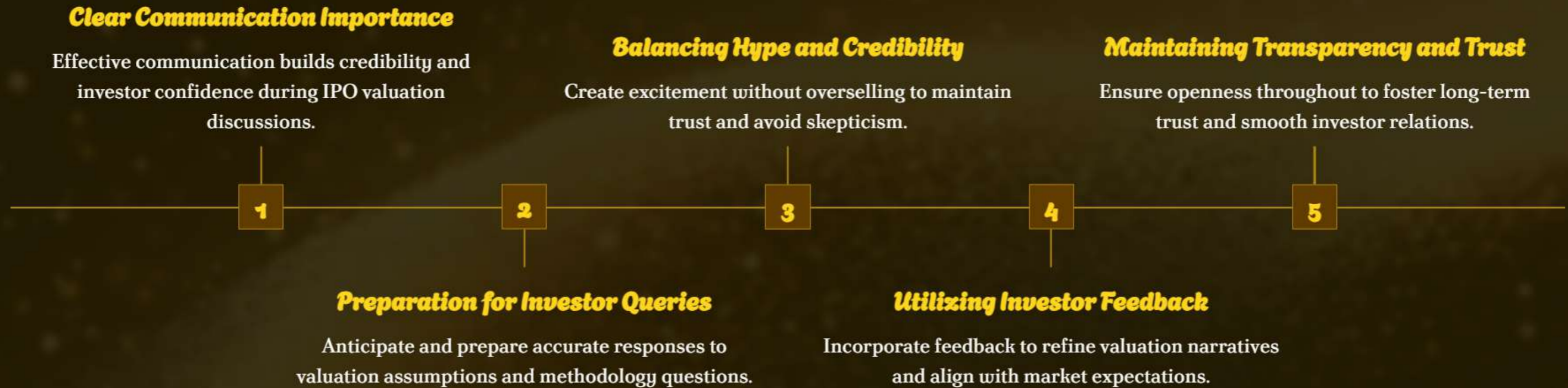
Risks of Poor Transparency

Lack of transparency damages investor confidence and market reputation significantly.

Assist in Obtaining External Valuation and Fairness Opinions

- **Engaging Independent Experts** : Utilize third-party professionals like Big Four firms for unbiased company valuation.
- **Purpose and Benefits of Fairness Opinions** : Fairness opinions ensure IPO pricing is impartial, enhancing market credibility.
- **Enhancing Investor Confidence** : Independent valuations build trust and prevent investor suspicion of manipulation.
- **Avoiding Conflicts of Interest** : External experts eliminate bias, ensuring fair play in the valuation process.
- **Integrating Opinions into Strategy** : Incorporate external fairness opinions to strengthen IPO valuation and strategy.

Facilitate Communication with Institutional Investors on Valuation



Update Valuation Periodically Through IPO Lifecycle

Valuation as a Dynamic Process

Valuation requires continuous updates influenced by market and economic changes.

1

Adjusting Valuation Models

Update models and assumptions to reflect the latest market realities.

3

Risks of Outdated Valuations

Outdated valuations risk mispricing, poor investor response, and reputational damage.

5

Monitoring Market Conditions

Regularly track market swings and emerging information to stay current.

2

Importance of Timely Updates

Timely valuation updates align pricing with investor expectations.

4



Integrate Valuation Insights into IPO Marketing Strategy

Utilize Valuation Data in Presentations

Showcase company strengths with robust valuation methodologies to build investor confidence.

1**2**

Address Investor Concerns Transparently

Proactively communicate risks and valuation assumptions to reassure investors.

3

Align Marketing Messages with Valuation

Ensure consistency across roadshows and communications to strengthen IPO credibility.

4

Enhance Roadshow Effectiveness

Equip teams with updated valuation data for persuasive investor engagement.

5

Coordinate Valuation and Marketing Teams

Foster collaboration to tailor messages and ensure clarity throughout the IPO process.

Monitor Post-IPO Market Performance Relative to Valuation

Track Stock Price Movements

Monitor stock price trends post-IPO to assess market reception.

1

Identify Causes of Deviations

Analyze factors like market volatility and operational shifts.

3

Leverage Insights for Future Raises

Use market feedback to optimize future capital raising strategies.

5

Compare Against Projections

Evaluate actual performance relative to initial valuation estimates.

2

Communicate with Investors

Manage expectations through transparent and clear updates.

4

Develop Contingency Plans for Valuation Adjustments



Establish Continuous Improvement Process for Valuation Practices

1

Gather Stakeholder Feedback

Collect insights from investors, underwriters, and valuation experts to identify improvement areas.

2

Update Valuation Models

Incorporate latest financial data and market trends to keep models current and relevant.

3

Train Teams on Best Practices

Provide ongoing education on valuation methodologies and regulatory changes to enhance quality.

4

Leverage Technology for Accuracy

Use advanced software and automation to improve precision and reduce human errors.

5

Institutionalize Adaptive Management

Establish policies and KPIs to embed continuous improvement and foster adaptability.

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